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STATEMENT  
OF  
FACTS RELATING TO THE  
RESIGNATION  
OF THE  
HON. JAMES MORRIS,  
AS CASHIER, COMMERCIAL BANK,  
BROCKVILLE.



KINGSTON:  
JAMES M. CREIGHTON, BOOK AND JOB PRINTER.

1851.

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TO THE  
**S H A R E H O L D E R S**  
OF THE  
**C O M M E R C I A L   B A N K**  
OF THE  
**M I D L A N D   D I S T R I C T.**

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COMMERCIAL BANK,  
*Kingston, 1st July, 1851.* }

GENTLEMEN,

On the 9th September, 1850, the Hon. James Morris, Cashier of the Office of this Institution at Brockville, issued a printed letter, calling your attention to the causes which he assigns for his retiring from the charge thereof. This letter, which first appeared in the form of a pamphlet, and extracts from which were afterwards circulated over the country in the columns of the newspapers, has probably been read by you all, and some may perhaps have been in expectation that it would have been replied to immediately, by the Board of Directors, in a similar manner. In this respect, however, the Board were of opinion that it was not inconsistent with propriety and the nature of the case, that they should defer their notice of Mr. Morris's allegations, until the period of the Annual Meeting, when the Shareholders would assemble

for the general purposes specified in the Act of Incorporation. That period has now arrived, and the Board have accordingly called on the Cashier for a plain statement of the facts of the case, in submitting which, on the present occasion, they feel it incumbent on them to offer a few comments and explanatory observations, inasmuch as the resentment of Mr. Morris is directed, not only against the Cashier, who is responsible for the style and manner of his correspondence, but also against the Directors, who are responsible for demanding an explanation of the extraordinary course pursued by Mr. Morris at the Toronto Office, and the proceedings consequent on a refusal thereof.

In December, 1849, the Government issued a circular to the several Banks in the Province, desiring to be informed on what terms the Banks would take the Government Account, and what advances could be furnished to Government, if required. The Board, in considering this matter, came to the conclusion, that, as advances to Government must necessarily involve a diminution of the usual facilities to the customers of the Bank, it was not advisable to take the account, coupled with the condition of making advances, and decided accordingly. Subsequently, it was reported that the Government had sold Debentures in London, to a considerable amount, and as it then appeared unlikely that advances would be required for some time to come, Mr. Harper wrote Mr. Cameron, Cashier of the Toronto Branch, that if he found advances would not probably be wanted, he should endeavour to get part of the Customs Deposits; adding, that he, (Mr. C.,) could get Mr. Morris to support him in the matter.

Mr. Cameron showed this letter of Mr. Harper's to Mr. Morris, and Mr. Morris spoke to Mr.

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Hincks on the subject. There was nothing unusual in Mr. Harper thus endeavouring to avail himself of Mr. Morris's services. It was clearly Mr. Morris's duty, as an Officer of the Bank, receiving at the time a salary as such officer, to do what was in his power to further the interests of the Institution, whether he happened to be at Toronto or elsewhere. Mr. Hincks stated to Mr. Morris that the Commercial Bank had had an offer of the Government Account formerly, and had declined it; and that, as an arrangement had been made with the Bank of Upper Canada, it would be unfair to alter it. Mr. Hincks having thus objected to give what Mr. Morris was requested to support Mr. Cameron in obtaining, Mr. Morris's authority, direct or implied, virtually ceased; nor can it be held as extending to other matters.

Mr. Hincks, however, offered to sell to the Commercial Bank Government Bills on London, and thereupon the terms, as contained in Mr. Harper's statement, were named—the rate of premium to be afterwards decided upon by Mr. Hincks, Mr. Morris, and Mr. Cameron.

At first, Mr. Harper had no communication with Mr. Morris—intending that Mr. Cameron, as Cashier of the Branch in Toronto, should be the chief acting party. Mr. Harper wrote Mr. Cameron about obtaining part of the Customs Deposits, but never alluded to purchasing Government Exchange—and but for Mr. Morris's communication of 28th May, about Exchange, Mr. Harper probably would not have thought of it, never supposing Government Exchange would be disposed of otherwise than by public tender. And this is further confirmed by the fact that at this time Mr. Harper was in treaty for £10,000 of Exchange elsewhere.

The Bills on our foreign correspondents, (the sum of which Mr. Morris, in his inexperience with respect to Exchange transactions, imagined so large,) had been drawn in accordance with certain negotiations to an amount within stipulated limits, and with reference to a rate of Exchange at Montreal, unusually high for some time previous, as well as our possession of ample funds in New York, to cover the London and Glasgow accounts whenever it might be advisable, and the opinion of our New York Agent that a fall might be looked for in the rate of Sterling Bills at that city. Mr. Morris in his pamphlet would lead his readers to suppose that the Bank had been compelled to draw on its foreign Agents to meet pressing local demands, and that getting the Government Exchange was of the greatest possible importance to its credit. This is quite erroneous. The operations in Exchange were based on business calculations of Profit and Loss,—the correctness of which any Banker of experience will readily admit—when reference is had to the high rate at which the Bills were drawn—proceeds invested in discounts at 6 per cent.—the low rate of interest in London not exceeding 3 per cent.,—the prospect of decline in rates at New York, where, as before stated, we had ample funds to remit to Britain, when the proper time for doing so arrived. Of all these things Mr. Morris could have no knowledge. He neither knew why we had drawn on Europe, the rate of Interest to be paid, the state of our funds in New York—the calculations of rise or fall in rates,—nor in short, anything which could enable him to form a correct judgment, or carry out a transaction of the kind without instructions. His entering upon and concluding the arrangement for the Government Exchange without such instructions, was therefore in

the first place wholly unauthorized, and as before stated, he was without the information necessary for judging correctly. Mr. Morris was thus without excuse in having hurried through such a negotiation, and his precipitation in closing it, shewed a want of prudence on his part, which can only be accounted for by his erroneous impression regarding the affairs of the Bank.

There was, in fact, nothing to palliate the unnecessary haste used. There was nothing in his letter to show that Mr. Hincks wished or required an early answer. There was nothing to prevent Mr. Morris from writing to Mr. Harper, and waiting for his reply. There was nothing to justify Mr. Morris in fixing the amount, or rate, independently of the views and directions of the Board.

It may be here remarked, that on all former occasions when purchases of Exchange to any amount were contemplated, it was the invariable practice to refer the matter to the Board for their decision,—the Minutes of the Board every where fully prove this. Now in the present instance, Mr. Harper having, as stated, drawn on Great Britain for particular reasons, and having funds whence to cover the drafts available at any moment, hesitated before entering upon a transaction amounting to £43,000, and desired to lay it before the Board—for it became a question of importance how such a sum in Exchange was to be profitably used, or if it were remitted to Britain, how we should deal with our funds in New York, which could not be absorbed by demand for drafts on that city.

The usual day of the meeting of the Board, being that following the day on which Mr. Morris's letter was received, and there being nothing in the letter asking an immediate reply, or even indicating that it was expected—Mr. Harper deferred reply-



ing until he had submitted the matter to the Board. This was the usual practice, and under circumstances, the proper course to pursue: while the Board would have had good grounds for dissatisfaction, had Mr. Harper concluded so large a transaction without consulting them. In fact no such latitude is allowed to any officer of the Bank, much less is it justifiable in an officer having no experience in such large transactions, and being unacquainted with the position of the Bank's general accounts.

The attention of the Stockholders is here called to the fact, that previous to Mr. Morris's concluding the purchase, he had seen the President in Toronto, and Mr. Hamilton had mentioned to him, that Mr. Harper had declined to give more than  $10\frac{1}{2}$  per cent. for a 30 day Bill of a Scotch Bank, on its London Agents, equally undoubted, and at same sight as Government Bills.\* This ought to have deterred Mr. Morris from purchasing a large

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\* NOTE.—The following extracts from a letter of Mr. Hamilton to Mr. Harper, dated Toronto, 1st June, 1850, show the nature of the communications between the President and Mr. Morris; and the extent of his "approval."

"I have just received your letter of yesterday. Upon my arrival at this place last Monday, Mr. Morris stated to me what had passed between himself and Mr. Hincks, regarding the Exchange—in substance the same as telegraphed to you by him. I was under an impression that no further negotiation would take place, until he should hear from you. We had some conversation as to the rate of premium, and I understood  $10\frac{1}{2}$  as the highest which I thought you would give—he replied that the rate would be arranged hereafter. In consequence of last Thursday being a Roman Catholic Holiday, the Legislative Council adjourned over till yesterday, and I went up to Hamilton. On my reaching the Legislative Council yesterday afternoon, I found that they had adjourned a few minutes after meeting, so that I have not seen Mr. Morris or Mr. Cameron since the day of my arrival, and your letter was the first intimation that I had of the transaction being closed. Mr. Morris stated to me that he thought he would get Mr. Hincks to arrange it, that the amount should be paid out to the creditors of the Provincial Government, direct by check, and not have it pass thro' any Bank. If this is done, and the amount allowed to remain for some time uncalled for, at the low rate of interest, there will, I hope, no loss be sustained. I was not a little surprised to learn that the negotiation had been closed in the manner you mention, *and cannot conceive the necessity there was to hurry it so much.*"

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amount, at a higher rate, without having heard a word from Mr. Harper, as to what the Board thought or wanted,—for Mr. Hamilton having mentioned it, gave Mr. Morris something whence to judge of Mr. Harper's views. Mr. Morris, however, in the face of this information, and without any authority, did not wait for instructions, though he could have communicated by Telegraph with Mr. Harper so easily. Accordingly, without waiting a reply to his letter, he concluded the purchase at a higher rate than was conformable to Mr. Harper's *known* views,—gave directions about the amounts of Bills to be drawn, for the purpose of being sent to the British Agents of the Bank, without any authority whatever from Kingston—a course of action not only highly unsafe and unbusinesslike, but which did in fact involve a direct loss of Commission on that part of the Exchange, which Mr. Harper, had he been consulted, would not have remitted to London or Glasgow, besides the indirect loss of the Profit that would have arisen from the disposal of it elsewhere.

Mr. Morris, in his pamphlet, gives as a reason for his unnecessary haste in concluding the purchase, that because it was just possible for Mr. Harper on 29th May, to have answered Mr. Morris's letter of 28th,—therefore as Mr. Morris did not on the morning of the 30th receive a reply from Mr. Harper, he (Mr. M.,) considered himself at liberty to act on his own views in the matter. Now no one was more fully aware of Mr. Harper's attention to the interests of the Bank than Mr. Morris, and a moment's reflection must have convinced him there must have been some good reason why Mr. Harper had not written about an offer of such an amount. And as there was nothing in the letter of Mr. Morris, demanding an immediate answer, Mr. Harper

could not have supposed that Mr. Morris would so far forget his position, as to close the transaction, until a reasonable time had been allowed for its consideration. Mr. Morris having written to Mr. Harper, should have taken no further steps, until an answer was received by him, for the Board are decidedly of opinion, that under no circumstances was it justifiable on the part of Mr. Morris—even with the concurrence of Mr. Cameron, the Cashier of the Bank at Toronto, to negotiate such large Bills, without the previous knowledge and sanction of the Bank.

Mr. Morris further in his pamphlet, alleges that the President approved of the transaction—the manner in which this is stated, whether intentionally or otherwise, is calculated to mislead the Stockholders, and Mr. Morris evidently wishes it to be understood that Mr. Hamilton approved of the purchase as a whole, and when completed. This is erroneous. The rate was not decided until after Mr. Hamilton left Toronto, and of course he could not approve or disapprove of what was undecided and uncertain—nor did he for a moment suppose that Mr. Morris would settle the rate or amount, without instructions from Kingston; otherwise he would, of course, have told Mr. Morris to wait for them. Mr. Morris avoids all notice of Mr. Hamilton having mentioned to him the rate of  $10\frac{1}{2}$  per cent. which had been recently offered by Mr. Harper, at Kingston, for the 30 day Bill, to which he should in justice have alluded in stating his case.

Mr. Morris says that as Mr. Harper, after being apprised of the purchase on 30<sup>th</sup> May, telegraphed Mr. Cameron to get the size of the Bills reduced, this must be taken as an approval of the purchase! In this view of the case, the Board cannot concur. Mr. Harper seeing the purchase com-

pleted, naturally wished to make the most of the bargain—unauthorized as it was, and the inference Mr. Morris draws from Mr. Harper not having telegraphed his disapproval, is in their judgment wholly unwarranted.

Mr. Morris would have the readers of his pamphlet believe that the purchase of Exchange was of the greatest consequence to the Bank, and very profitable. That it was *necessary* to the Bank has been already shown to be erroneous, and it will not be difficult to show, that the profit, if any, was trifling. As stated before, we had funds in New York whence to remit to cover the British accounts, and there was ample time, (two months), to complete arrangements for this object. There was no gain in the shape of interest—indeed that was rather a loss, as the rate of interest in London was under 3 per cent.,—as previously stated also. Even had the Board decided to take Government Exchange at 11 per cent., an unnecessary loss of commission was incurred by Mr. Morris's not waiting to know what disposition of the Exchange might be preferred by Mr. Harper, as the greater part would have been taken in small sums to sell again, without going through the London Account.—Again on the 25th May, our Agent in New York advised the rate there 10 per cent., and the demand not animated, and on 5th June it declined to  $9\frac{1}{2}$  per cent. *at*  $9\frac{3}{4}$  per cent. Mr. Morris quotes rates of Exchange at Toronto  $12\frac{1}{2}$ . This could only be obtained for discounts of long dated paper. On 27th May, Mr. Cameron could only obtain  $11\frac{1}{2}$  on settlement of balances with other Banks, which is the proper regulating basis upon which a Bank should determine purchases of Exchange.

To return to the statement of facts. On receipt of Mr. Morris's Telegraph, advising purchase,

Mr. Harper wrote to Mr. Morris a letter which will be found in the Cashier's statement. Mr. Morris styles this letter a remarkable document, by which he considered himself deeply insulted. Unprejudiced readers may perhaps fail to discover the deeply insulting character thus attributed to it—though even had its tenor been severe, it would have been warranted by Mr. Morris's proceedings. It must be clear to all that the discourteous return of the letter in a blank envelope, was the most effectual mode of putting an end to correspondence between the parties.

Mr. Harper is the Executive Officer of the Board, and is responsible to the Directors, and through them to the Stockholders for the correct and judicious management of Bank affairs. His instructions on all matters of importance should be obtained, and acted upon by the subordinate Officers. A contrary course is clearly subversive of all proper government of a Banking Institution.

Mr. Morris has evidently felt that his position as an Officer of the Institution did not warrant his course of proceeding. He has therefore alleged that he acted only in his social and political capacity, and in consequence of his "influence" with the Government, as a public man, having been requested by Mr. Harper. By reference to that gentleman's letter to Mr. Cameron, it will be seen that such statement is inaccurate. Mr. Harper did not seek Mr. Morris's political or social influence. He merely intimated to Mr. Cameron that as a matter of course he could get Mr. Morris to support him in his application. Now as Mr. Morris was a paid servant of the Bank—then receiving a Salary as such—and only absent from his duties at Brockville, by the sufferance of the Board,—Mr. Harper naturally thought that he had a right to call on Mr.

*Morris* to assist his brother Officer in making the application to Government, as in all similar cases would be expected from every Officer of the Bank.

As to the course of proceeding already adverted to, which Mr. Morris chose to adopt, with reference to Mr. Harper's letter, it was regarded as so offensive, by the Board before whom the matter was laid, that they could not overlook it, or desire the Cashier to conduct the ordinary transactions with that gentleman, until a suitable explanation was afforded. Ample time was allowed Mr. Morris to offer an explanation, but instead of doing so, he prepared and disseminated a partial statement, justifying instead of excusing his conduct to the Board, and his superior Officer. It was quite out of the question that matters could be allowed to remain in such an unsatisfactory state. An intimation given to Mr. Morris to that effect, led, therefore, to his resignation. It is true, that Mr. Morris offered to appear before the Board personally, but there were many objections to such a mode of settling the question at issue, which will readily occur to the minds of the Shareholders, even without reference to the reason given in the Cashier's statement, heretofore annexed, or to some of the remarkable portions of the letter of Mr. Morris.

Mr. Morris states that there was ample time to recall the Bills sent to our Agents in London and Glasgow—certainly there was—they might have been recalled, but it would have been inexpedient. It appears to the Board that to have shewn our Foreign Agents that a Manager of one of the lesser Agencies of the Bank, had, without authority, made a large purchase of Exchange and disposed of it, without any communication with the Head Office—was such a proceeding as would have led them to entertain no very exalted view of the manage-

ment and discipline of our Institution—the Exchange was therefore not recalled.

The Board will pass over without further notice, the breach of confidence exhibited by Mr. Morris, in making public, private conversations casually held with the President, on matters relating to the Bank, as well as in communicating his correspondence with the Cashier, to parties, (some belonging to other Banking Institutions,) who, with a degree of delicacy which we shall not attempt to measure, proceeded to pass judgment, without any other information than the *ex-parte* representations of Mr. Morris.

The Board have thus touched on the main points of Mr. Morris's pamphlet, with as much brevity and forbearance as they have found consistent with their duty to their fellow Stockholders, who have a right, when the conduct of their Officers and Servants are complained of and assailed—to clear and satisfactory explanations.

It only remains for them to add an expression of their regret, that they should have thus been compelled to animadvert upon the unpleasant manner in which a Gentleman, long employed by the Institution, has seen fit to bring his official connection to a close.



**R E P O R T**  
**OF THE CASHIER, ON MR. MORRIS'S**  
**PURCHASE OF**  
**Government Exchange, in May, 1850,**  
**CALLED FOR BY THE**  
**BOARD OF DIRECTORS,**  
**ON 14th OCT., OF THAT YEAR.**

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The facts of the case are as follows :—

On the 23rd May 1850, I wrote Mr. Cameron,  
from which the following is an extract:

“ If you find that the Government will not require any advances, after the late sale of Debentures—at any rate not to any extent—you can get Mr. Morris to support you to get part of their business and deposits, from the Custom House. It might be as formerly, allowing the Public Officers to deposit in which Bank they please,—or let the Province be divided between the two Banks.”

On the 27th May, Mr. Cameron showed this letter to Mr. Morris,—Mr. Morris saw the Inspector General, and on the 28th May wrote to me as follows :—

TORONTO, May 28th, 1850.

MY DEAR SIR :—

Last night, in conversation with Mr. Hineks, I made application to him for a share of the Government Account, but I found him unwilling to take any part of the Deposits from the Bank of Upper Canada, and really, I had not the face to press him to do an ungenerous act towards Ridout,



but I think I shall be able to get him to make a beginning with us by-and-bye, to the extent, at least, of the duties paid by Cameron's customers. In the meantime, however, Mr. Hincks says, that he will give us £25,000 or £30,000 Exchange, (at a price to be agreed on,) in Deposit at 3 per cent. interest; 30 days notice to be given before withdrawing it, and that it would be chequed out for the general purposes of the Government; and that in his opinion, it would remain with us for some considerable time. I will communicate this to Cameron to-day. Cameron is doing a fine business, and I am pleased to hear, that he, of all the Banking Officers of the City, is the most popular. The money paid [redacted] is not one of the best appropriations in the world. We have at last lovely weather.

Yours faithfully,

(Signed,)

J. MORRIS.

On 28th May, Mr. Hamilton, (President,) arrived at Toronto, to whom Mr. Cameron mentioned, that Mr. Morris had arranged to get £35,000 Sterling, and that the rate *was to be fixed* by Mr. Morris, Mr. Hincks, and himself, (Mr. C.) It is here to be observed, that when the President spoke to Mr. Cameron and Mr. Morris, on the subject, the rate was not settled, Mr. Hamilton approved of the other terms. He mentioned to Mr. Morris that I declined to give more than  $10\frac{1}{2}$  per cent. for a Bank Draft, 30 days date, on London, for £1323.

Mr. Morris's letter to me of the 28th May, was received on Wednesday, the 29th May. The following day, (Thursday), being that of the usual meeting of the Board, I wished to submit the matter for decision, as usual in such cases—there being nothing in Mr. Morris's letter about an immediate answer being necessary, and the fact of the rate being left open, indicating that it was reserved for the decision of the Board and myself.

On the 30th May, whilst the Board was in Session, I received a Telegraph from Mr. Morris, informing me that he (Mr. M.) had purchased £35,000, Sterling Exchange, at 11 per cent., and it further appears, that Mr. Morris gave instructions at the Receiver General's Office, to have the amount drawn in two Bills, of £24,000 and £11,000.

On receipt of Mr. Morris's telegraph, (30th May,) advising his having taken the Exchange, I wrote him, by order of the Board, asking him for an explanation of the unauthorised purchase. The following is a copy of this letter:—

KINGSTON, 30th May, 1850.

THE HON. JAMES MORRIS,

MY DEAR SIR:—

Your note of the 28th inst., reached me yesterday, and your Telegraph, when the Board was sitting. In your note to me you merely state, that Mr. Hincks said he would give us £25,000 or £30,000 Exchange, at a price to be agreed upon,—in deposit at 3 per cent.,—thirty days notice to be given, before checking on it. Now you must be aware that such a negotiation could not be entered into without the assent of the Board. The Board were therefore taken by surprise with your Telegraph, stating that you had taken £35,000 at 11 per cent., 30 days, without waiting for their reply, or any negotiation whatever by us, with the Government. How is it that Mr. Cameron has not written me on the subject, for as this matter comes under his Official duties, it should have come through him officially. I consider the rate too high, for we can get only 11 or 11½ at Montreal, in small amounts,—and pay Pollard ½ per cent.: and there would be no profit to send it to London, and the only way to make ½ per cent. is to send it to New York. Did any of the other Banks take at the same rate? and on the same terms? If so, we cannot complain on that point; but the Board will not sanction your acting in that way again, without their consent being asked, and obtained. I will be anxious to learn the cause of your procedure, for explanation to the Board. We would not have offered more than 10½ per cent., for I am certain the rate at New York will fall, from the rise of Cotton and other articles in England. I think it would be but fair, that the customers of each Bank should pay their duties by cheque on the Banks, and such cheque deposited by the Collectors, at the respective Banks, against which the Government may check when required. To this course no Bank could object.

Will you explain to me the cause of your observation that "the Salary to [redacted] is not one of the best appropriations in the world;" and upon what such an opinion is grounded.

(Signed,)

Believe me, Yours truly,

F. A. HARPER.

31st.—This letter was too late yesterday by a few minutes. To-day I have a Telegraph from Cameron, stating, that the Drafts were made in two sums only, which has caused me to order the whole to London, thereby entailing another ½ per cent. expence on £10,000 I wanted in Bills to be negotiated at New York.

F. A. H.

How is it the Government did not offer the Exchange by tenders?

Seeing the purchase completed, I telegraphed Mr. Cameron to get size of the Bills reduced, as I wished to use part in New York. This was not done, however: Mr. Morris declining to ask their

being changed. Mr. Morris returned my letter under blank envelope, and sent telegraph that he was deeply insulted, and could not reply to such a letter,—requesting me to return 2nd and 3rd Exchange, and recall 1sts. I replied that it was too late to recall the Bills, and that I looked for a letter from Mr. Morris. Subsequently, Mr. Cameron telegraphed me, that the Receiver General was ready to take back the Bills, and cancel the transaction.

I considered that recalling the Bills would have involved an explanation to the correspondents of the Bank in London and Glasgow, which would not conduce to the interests of the Institution, and therefore declined to recall the Bills.

On the 13th June, Mr. Morris not having sent any explanation as to his unauthorised purchase of Exchange, asked for in my letter of the 30th May, written by order of the Board, the Directors took the matter into consideration, and adopted the following Resolution:—

The Cashier submitted to the Board, a letter addressed to him, dated on the 10th instant, by the Hon. Jas. Morris, relating to the receiving of Deposits from the Collector of Customs at Brockville, on public account—upon the reading of which the Board resolve,—“That as in the present state of matters, the Cashier can hold no official communication with Mr. Morris, the ~~President~~ be requested to inform that gentleman, that they have waited some time in the expectation that he was about to retire from his situation, as sub-Cashier at Brockville, or if not, to offer to them a satisfactory explanation, of his extraordinary proceeding in returning Mr. Harper's letter in a blank envelope, as already noted on the Minutes.”

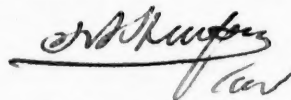
Copy of this Resolution was sent by the President to Mr. Morris, on same date. Mr. Morris replied, that he intended being in Kingston, on the 17th June, and would explain personally. He arrived in Kingston on that day, and the Board decided, that as the matter had been already adverted to, in the records of their proceedings, any explanation Mr. Morris had to offer, should be made

in writing. The President addressed Mr. Morris in conformity. To this note of the President's, Mr. Morris replied, that although he thought the matter a misunderstanding between me and himself, and having no connection with his duties as Cashier at Brockville, he did not hesitate to place in the hands of the President, a document purporting to be a Statement of Facts—with the request, that it might be submitted to the Directors, and fyled among the records of the Board; this statement is copied in Mr. Morris's pamphlet.

In my private correspondence with Mr. Cameron on this subject, I mentioned to him that I would have no objection to leave the matter to be arbitrated on, by two mutual friends, if Mr. Morris felt so disposed. After some further correspondence, Mr. Morris agreed to this, and he named on his part the Hon. P. B. DeBlaquiere, and I named the Hon. Wm. Cayley. In the event of these parties differing in opinion, it was agreed that an Umpire should be appointed, and after some discussion between Mr. Morris and the Arbitrators, he at last agreed to the appointment of Mr. Widder, of the Canada Company, who kindly undertook the task. That gentleman gave his award, as accompanying Copy of the Document, dated 5th September, 1850.

After my return from England, in February last, letters passed between Mr. Morris and myself, in accordance with the same.

(copy.)



TORONTO, 5<sup>th</sup> September, 1850.

Having consented to act as Umpire in the event of any disagreement arising between the Hon. P. B. DeBlaquiere and the Hon. Wm. Cayley, M. P., the Referees appointed by the Hon. Jas. Morris and F. A. Harper, Esq., in the matter at issue between them; and being now required to adopt the opinion of Mr. DeBlaquiere, dated the 11th ult., or that of Mr. Cayley, dated the 17th ult., which those Gentlemen have transmitted to me, I have to state,

that after a careful consideration of all the correspondence and papers relating to the subject, that I concur in the opinion of Mr. Cayley, of which the following is a true copy.

(Signed,)

FREDERICK WIDDER.

TORONTO, 17TH AUGUST, 1850.

The undersigned, after a careful perusal of the Memoranda, and correspondence placed in his hands, is prepared to state that, in his opinion, they contain nothing which can be construed as affecting the honor, or reflecting upon the character, of either of the gentlemen who have so frankly submitted their difference to arbitration. The difficulty which has occurred, appears to have originated in a misconception of the purport of Mr. Harper's letters, which a very few words of explanation would have easily removed: at the same time, the undersigned feels bound to state his conviction, that Mr. Morris would not have entered upon any negotiation with the Government, had he entertained the slightest doubt of the full concurrence of the Board, and that in concluding the arrangement, with the Inspector General, he was actuated solely, by a very zealous desire to promote the best interests of the Institution with which he is connected, and in which he has an important stake. The undersigned arrives at the opinion, that the letter of the 30th May, addressed by Mr. Harper to the Hon. James Morris, was written exclusively with the object of conveying the sentiments of the writer, and the Directors of the Bank, on a business transaction, and that it was not in any way designed, to wound the feelings of the party to whom it was addressed.

The undersigned feels satisfied, that Mr. Harper will have no hesitation in conveying an assurance to that effect, to Mr. Morris: and, that Mr. Morris will as readily express his regret, at the step taken by him, in returning Mr. Harper's Letter, under feelings of extreme momentary disappointment.

(Signed,)

WILLIAM CAYLEY.

